

THE MIDNIGHT SOLDIERS

Talk given by Daniel Sheehan
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This is a transcript of a talk given by Daniel Sheehan on the "Midnight Soldiers." The Midnight Soldiers, according to Sheehan, are a secret team of former CIA agents, retired military officers, anti-Castro Cubans and others, with connections to the White House, who run guns, smuggle drugs, and carry out political assassinations. The Midnight Soldiers network has airlines, airstrips, depots, bank accounts and all the trappings of a major multinational corporation. They are at the core of the Iran contra scandal. Daniel Sheehan is General Counsel of the Christic Institute, a public-interest group based in Washington, D.C. The Christic Institute has brought suit in Florida District Court against 29 members of the secret team for violating federal racketeering statutes, international weapons and drug trafficking, and counter-insurgency. — David Barsamian

It's a great privilege to be asked to come here tonight to discuss an issue which all of us are deeply concerned about: the major scandal going on here in our country, having to do with the sale of Tow missiles and other weapons to the Iranians and the secret mechanisms established to provide weapons to the contras for their military involvement with the government of Nicaragua. I've been asked to talk tonight with the Conference members and the other people from the community about the roots of this particular scandal and to try to shed some light on this very strange composite of facts so that we can all, as American citizens, better fulfill our responsibilities and see to it that this scandal is adequately resolved and that the public policy problems which have surfaced during the investigations are in fact solved.

All of us, of course, remember that peculiar day when the Attorney General of the United States, Edwin Meese, appeared on national television and announced that he had come to learn that there had been a sale of certain weapons systems to certain elements in the country of Iran. He pointed out that there was one particular aspect of that operation that may well have been improper, referring in particular to the possible diversion of part of the profits from the sale of those weapons to the contras in contravention of the absolute prohibition imposed by the United States Congress in the form of the Boland Amendment against the intelligence agencies of the United States giving any aid, direct or indirect, to the contras.

We also remember, I believe, that other peculiar episode back in October of 1986 when we learned that Eugene Hasenfus had been shot from the skies over Nicaragua in a C123 cargo plane carrying weapons into Nicaragua to the contras and had basically been giving a press interview on his way down in a parachute to explain to his potential captors who he was, where he came from, what he'd been involved in, telephone numbers, and other details in which he thought they might be interested, and people began to learn that there was some kind of peculiar private network of some sort in operation to deliver these weapons to the contras. We're also aware, I believe, in common, that there is a series of major investigations going on at the present time by the various branches of our federal government. An executive branch investigation by the Tower Commission, appointed by the President, has been completed. A special prosecutor had been re-

quested by the Attorney General, Edwin Meese, to investigate this affair, and Lawrence Walsh was appointed by the Circuit Court of Appeals of the District of Columbia under the Ethics in Government Act. That investigation is proceeding apace. We're also aware of the fact that the legislative branch of our government is also engaged in a major investigation of this scandal in the form of a Senate Select Committee and a House Select Committee, with Senator Inouye chairing the Senate Committee and Lee Hamilton chairing the House Select Committee.

What we're not so aware of as average American citizens is that the judicial branch of our government, the third co-equal branch, is also now actively engaged in an investigation of the issues arising from this scandal. Indeed, on January 30th, 1987, the Chief Federal Judge of the United States District in southern Florida signed a 17-page order giving federal subpoena power to the Christic Institute in Washington, D.C. to undertake to subpoena bank records, flight records, telephone records, and historical information about some two dozen men who were the subject of a federal lawsuit under the Federal Racketeering Act filed in May of 1986 by two journalists. What we want to do is point out to you that the *Miami Herald* reported in February that if the American public wanted to get a preview or a preliminary look at what might possibly be developed by the various investigations of the executive and legislative branch of this scandal, they should take a look at this federal lawsuit to understand the charges that have been filed and to keep an eye on the evidence that was developed to support those accusations.

What I would like to do tonight is to share with you the information in the sworn affidavits that have been filed in support of the charges in that federal lawsuit. I want to explain to you the historical context of the scandal that we're now watching unfold so that we can understand what the true nature of the crisis is and not be confused and deceived into believing that the single question that we should all be walking around asking one another is: "Did the President know about the diversion of *part* of the profits from *one* of the shipments of weapons to Iran that might have gone to the contras?" That's hardly the issue, but it *is* the issue that they would like to have us going around talking about, if we have to talk about anything relating to this scandal. I want to bring you back into the days of

yesteryear and recall together how this scandal unfolded. We have a cross-section of people here tonight; some may be very familiar with these details, others may not recall any of these things at all, so what I want to do is to bring us together on things that I think we have a common recollection of so that we can all be at the same place in trying to understand this scandal.

Let's go back to January, 1977, when President Carter came to office: a Democratic Administration, Democratic Senate, Democratic House of Representatives. In October of 1977, the Harkin Amendment became effective. The Harkin Amendment was a law which was passed by our Congress, signed into law by the President, stating that if any foreign government were shown to be engaged in the systematic violation of the human rights of its own citizenry, that government would no longer be entitled to military aid from the United States. Rather an unprecedented position to be taken by our government, but we were looking at a peculiar and interesting period in our history, a fairly moralistic type of undertaking, an analysis of human rights violations by our allies. When that law went into effect in late 1977, a finding was made that the government of Anastasio Somoza in Nicaragua had indeed been engaged in the systematic violation of the human rights of its own citizens and as a result was no longer entitled to U.S. military aid. So during the years 1977-78, Somoza began to falter, the Sandinistas—the organized peasant revolutionary leaders in Nicaragua—began to rise to power, and the world watched as these events began to unfold. At the same time, at the end of 1978, in another part of the world, the government of the Shah of Iran collapsed and the Ayatollah Khomeini came to power.

In July of 1979, Somoza fell from power and fled his country, and the Sandinista peasant revolution came to power. Between July and November of 1979, the world governments, one by one, began to recognize the government of the Sandinistas in Nicaragua; the people of the United States, the United States government, recognized them; churches and synagogue groups began to send emissaries to the country in larger and larger numbers to try to become familiar with how a revolution like this was going to transform itself from an adversary type of relationship with the governing powers into dealing with the nuts and bolts of providing services, materials, goods to their people, etc., in taking on the levers of government. Hope was rising, and the world community watched.

However, in November of 1979, in that other part of the world, the United States Embassy in Teheran was entered and hostages were seized and taken by a number of students in Teheran and eventually turned over to the government of Iran. In 1980, the Carter administration provided aid to the Nicaraguan government, assisted them in their material needs and tried to help them develop and experiment with how to establish an effective government. Also in 1980 the United States Congress passed the Refugee Act of 1980 because in El Salvador reactionary forces were beginning to resist violently the reforms that were recom-

mended by the American administration. The Romero government was attempting to undertake a land reform program to distribute the land which had previously been taken by the fourteen ruling families in that nation and held out of the hands of the peasants. The Romero government, under the prodding of the Carter administration, was trying to bring about peaceful reform, but Major D'Aubuisson and General Casanova and a number of others in the reactionary military community viewed anyone who supported such reform movements as communist and began to reach out with death squads to murder these people in the dark of night. They would go to their towns and the next morning hundreds of the bodies would be found in the streets of the town or floating in the river.

This terrible problem began to generate a massive flow of refugees escaping from Central America, from El Salvador and Guatemala, to the United States. There they encountered, however, a discriminatory set of rules and regulations within the Immigration and Naturalization Service (INS) which was rejecting, regularly, applications for political asylum. The Carter administration and the Democratically-controlled Congress passed the Refugee Act of 1980, establishing a new and more liberal policy for accepting political refugees into the country. However, during this same period of time, in the other part of the world, in Iran, the effort to negotiate to try to get the hostages out of captivity continued to fail, and with it began to fail the administration of Jimmy Carter. Therefore, by November of 1980, we saw Ronald Reagan raising his major challenge to the vacillating, moralizing type of administration of Jimmy Carter that he was criticizing. We had a John Wayne on the scene: willing to "take charge," to pound the bad guys, to tough it out, to get rid of this kind of mealy-mouthed moralizing, who began to challenge the Presidency. By November of 1980, Carter was removed from power and Ronald Reagan came in.

A very peculiar thing began to happen then, in January of 1981, when Ronald Reagan came into office. The high hopes for the Nicaraguan revolution were somehow forgotten. What we began to hear about was not these bad Somoza generals, or about high hopes for the Sandinista government, or about the Guatemalan or Salvadoran death squads; we began to hear from the holy pulpit of the Presidency about this terrible Soviet communist puppet regime in Nicaragua, these totalitarian Sandinistas who had taken the country away from the people, and we heard about the communist threat to Guatemala. It was required that we begin resupplying military equipment and weapons to the Guatemalan military government, and we also began to hear about the great hopes for democracy in El Salvador under Duarte in a straight-up election with D'Aubuisson. It was at this point that we began to hear about the contras. We began to hear from the President not about these Somoza generals; we began to hear about these people who were struggling against the communist, totalitarian Sandinistas in Nicaragua.

Let's all review the chronology of how that went. Remember, when President Reagan first began talking

about them, he gave his number one position: "We have no relationship whatsoever to these contras. We've heard about them, you've heard about them, we sort of like what they're doing, but we have no relations with them whatsoever, we have no funding going to them." He stood right up in front of the entire American people and said that. For some reason, the American people didn't believe him; the American press didn't believe him. They began to push on him and insist that this be investigated. When they discovered that in fact in June, 1981, the President had signed a national security decision directive directing Bill Casey, the director of the CIA, to take over the act of funding the military supplies to the contras, did he say, "Oho! You've caught me lying!"? No. What he said was, "OK, OK, so we're doing a little funding here! However – even though you didn't believe me the first time – take my word for it, we're just doing a minimal amount of funding, just enough to interdict the flow of weapons from this communist totalitarian regime in Nicaragua to these communist rebels in El Salvador who are trying to overthrow this new, burgeoning democracy in El Salvador." Somehow, the American people didn't believe that either, nor did the press. They continued to move in on this, and they kept saying that this didn't seem to be true to them and in fact they discovered, to their belief, that it *wasn't* true. So the President said, "Well, if you don't believe me, I'll have the CIA do a study." [laughter] You laugh! They assigned the job to David MacMichael inside the CIA, who undertook a major study and investigation and, lo and behold, filed a report that said that in fact there was no evidence whatsoever to support the President's contention that there was any flow of weapons going from the Nicaraguan government to any rebels in El Salvador.

The President's solution was, of course, to fire David MacMichael. So President Reagan took a third position to the American people, that being: "OK, OK, so we're giving them a little more money than that, and you don't believe that we're trying to interdict the flow of arms. Well, then, how about this? How about: What we're trying to do is just apply enough military pressure through the contras to the Nicaraguan Sandinistas and regime to get them to live up to the promises made during the revolution to the people of Nicaragua?" Remember how supportive President Reagan was of the revolution? Remember how glad he was to hear of all these promises being made by the Sandinistas? And now, here was President Reagan championing the cause of the Sandinista revolution, *that* was the only thing he was trying to effectuate.

Now, for some reason people didn't believe that either. What we saw happening was major attacks by the contras, not on the military people or the governing officials of Nicaragua, but on villages of unarmed peasants; we saw storage facilities being blown up, water supply systems being destroyed, great difficulties being imposed by the contra attacks on the society that was trying to figure out how to get milk and foodstuff into the markets, and how to grow more food and distribute it better, and how to distribute the land to the people in a more egalitarian fashion. These efforts

were being disrupted primarily by these attacks by the contras. At that time we also saw Comandante Zero – Eden Pastora –, who had been one of the major military heroes of the Sandinista revolution, become disillusioned with this hard work of trying to do all this kind of mundane stuff, and how to govern and deal with all these social problems, become disillusioned with the Sandinista government. Also, we began to hear the complaints coming from the Sandinistas and others, saying, "Oh, this is awful – not only is it boring, but in fact there are a lot of unfair restraints being placed on the media and others by the Nicaraguan leadership of the Sandinistas, they're being undemocratic," and because of a series of these complaints, Eden Pastora left the government, withdrew and went into Costa Rica and decided that he was going to become a contra too. Not a contra like these other contras that were going into Honduras under the leadership of the former military generals, the guardians of Somoza, with money being funded to them by the CIA from the United States. Eden Pastora was going to establish a new, indigenously supported contra force in Costa Rica, called ARDE. But the President's line still kept going out to the American people that he was just trying to pressure these people into fulfilling the original promises of the revolution. Until, of course, in late 1983, they were caught mining the harbors in Nicaragua. The world went nuts, saying, "This is outrageous, it's in violation of every international law, blowing up peaceful ships in the harbor and interfering with their commerce." It was a major scandal which began once again to threaten the credibility of the President. It's a little hard to believe why credibility still existed at all, but you know us Americans. We like to believe the President, we like to believe in the structures of government, we know that we elect people every two years and every four years to go to Washington and take care of those problems. Therefore, it's very disheartening to begin to suspect that you can't believe these people. We didn't *want* to believe that the President was lying to us. The people began to sweep that under the carpet, even though the rest of the world was engaged in condemning us as international criminals. In fact, the Nicaraguan government was getting ready to bring us before the World Court. So what did the Reagan administration do? It withdrew from the World Court, it said "That solves that! We quit!"

That lasted until the people from the CIA and the contras got caught passing around manuals to the contras recommending that they carry out political assassinations against mayors and teachers and town clerks and other unarmed people inside Nicaragua. That was the last straw. The United States Congress began to discuss very seriously passing a resolution prohibiting the White House and the executive branch from giving any further aid to the contras. So the President took his number four position: "We've got to give monies to the contras to bring down the Sandinista government, because they're going to establish a Soviet military base right there in Latin America. Therefore, we have to vanquish these people." The United States Congress moved and in March of 1984 passed the Boland Amendment. Inter-

esting was the wording of the Boland Amendment, which probably should have been that neither the President nor the White House nor anyone else in the executive branch could give any aid, indirect or direct, to the contras. But what they did was to say that neither the CIA nor any agency in the federal government engaged in intelligence activities can give any aid, either direct or indirect, to the contras. They thought they'd done their job, and therefore they cut off the aid. So during the remainder of 1984 we began to see the President mount his campaign of saying that he wanted to reverse this "terrible decision" of the U.S. Congress; he wanted the support of the American people to reverse this terrible decision, and he wanted us to "like" the contras. In addition, in 1984 we saw rise into being this private network: General John K. Singlaub, President of the Council for World Freedom, co-director of the American Security Council, going around the country trying to drum up financial and political support for the contras. We also saw such people as Rob Owen set up a company by the name of "Idea, Inc." and start soliciting funds for "humanitarian aid" for the contras, Andy Messin of the National Defense Council raising millions of dollars for the contras, and Adolfo Calero, the former manager of the Coca-Cola Company of Nicaragua, running the contras out of Honduras. We saw the President involved in this constant campaign to get us to like the contras, to understand that there was this "terrible communist menace" to these peasants in Nicaragua. He began to undertake major military operations—"Big Pine," exercises of sending major masses of U.S. military equipment and trainees into Honduras, building roads, building airstrips, building hospitals. It seemed to be that they were getting ready to attack Nicaragua, but that wasn't what they were doing. They were simply "engaging in exercises," war games scenarios, "just in case." This is the situation that we saw, and we saw our President coming on and saying that these contras were the "moral equivalent of our founding fathers." In fact— you remember?—"I'm a contra too." That was the line of the President in 1984.

This is where we all came together. I think most of us can remember that interesting history, kind of peculiar, but it is our history. We were responsible for it and we have to figure out what happened then. What I want to do now is share with you what happened to us and how we came to be in the place where we are now where we have U.S. Congress, the Select Committees and the Special Prosecutor calling us to ask us who these people are, and getting the great opportunity to come here tonight to share with you that information about who these people are. I want to tell you how it happened just so you'll understand that we as normal citizens can do something about this.

In March of 1984, when the Boland Amendment was passed, another interesting event occurred. Down in Brownsville, Texas, the Harlingen district of Texas—remember the President's famous speech about the Harlingen district which was just two hours' drive away from Nicaragua? (laughter) Remember that? Sort of in a fast tank, you know? And that they're "lurking at our borders"? Remember the Harlingen

district? I remember the Harlingen district. What happened in the Harlingen district in March of 1984 was not a great Nicaraguan communist invasion. What happened was the continuing flow of political refugees coming out of El Salvador and Guatemala trying to escape the military dictatorships, the death squads that were in operation down there, running virtually with the full blessing of the CIA and the National Security State people here in our country.

On an evening in March of 1984, Stacey Merkt, a young religious worker at a religious halfway house called Casa Romera that had been established by Bishop John Fitzpatrick down in the Harlingen district, was driving along the highway, riding actually in a car driven by a Catholic nun, Sister Diane Melan-camp, along with a young reporter by the name of Jack Fisher from the *Dallas Times Herald*. He was interviewing two political refugees from El Salvador, Brenda and Mauricio. They were driving along and the INS stopped them, arrested them, took them into custody and decided that they were going to prosecute them for transportation of undocumented aliens in this country.

We were contacted at the Christic Institute (this is that group that had been referred to earlier). We set up this office in Washington, D.C. out of the Karen Silkwood team that had done that investigation and prosecution. We had set up the Christic Institute to try to continue to do cases of that nature, where people couldn't afford to get the help and we could help raise the funds from people all around the country to pay for the depositions and investigation. We received a call from Bishop Fitzpatrick's people in March of 1984 asking if the Christic Institute would be willing to come and help defend these people against the criminal felony charges brought against them by the Reagan Administration. We agreed to do that. We went in and a very serious series of event began to unfold.

While we were in doing the preliminary investigation of why in the world they were charging these people, what was going on, I was down there along with my major investigator in that case, a Catholic priest by the name of Father Wally Kazibowski who had been in Nicaragua working for the Catholic church and been familiar with the history down there. He came in with me, and while we were doing the preliminary investigation we were approached by a Methodist minister from the Harlingen district who had been discussing with his parishioners and congregation the possibility of having their church become a sanctuary. He said, however, he had been approached by a field agent of the FBI and he was told that he should have nothing to do with the Catholic church or the Sanctuary movement because the FBI was in possession of information indicating that the Sanctuary movement was a front by means of which known communist terrorists were being smuggled into the United States. These known communist terrorists, in the event that our President were *forced* to undertake direct military action in Central America, such as, hypothetically Nicaragua, these known communist terrorists were going to be organizing themselves inside the United

States into military cadres and attacking United States military installations and communications centers and water resource systems. Therefore, this minister should have nothing to do with this movement. He'd been sent to us by the church people in the area knowing that I had at one time been legal counsel to the Jesuit national headquarters in Washington, their social ministry office, and figured that I would be able to share with them any information that we had from our investigation and our knowledge of this history with him.

After Father Kazibowski and I picked ourselves up off the floor in the stacks, we said, "Gee, Reverend, we're pretty sure this isn't going on here, after all, if it were, at least the Jesuits would know about it. [laughter] I haven't heard anything about this, and I doubt very seriously that this is true. I think you can go back and continue to organize and discuss the possibility of setting up a sanctuary at your church."

A matter of days passed before we were approached by a second minister who said he had been approached by yet a different FBI field agent and told the same thing. This began to be serious, you see. We realized that we were getting ready to have to undertake this criminal defense and if, in fact, this story were being floated around inside the Justice Department and the Executive Branch, that the Sanctuary movement was basically a cover for communist terrorists coming into the United States, we felt that we might be encountering a much high level of militancy on the part of the prosecution staff than we had any right to expect.

After the preliminary hearings we came back to Washington and began to undertake an investigation to ascertain where this peculiar information was coming from. We contacted a number of investigators I had come to know during my previous incarnation as one of the attorneys at F. Lee Bailey's office, who has this big stable of professional investigators. I reached out and contacted a number of investigative journalists I had had the good fortune to know in my incarnation at the Cahill Gordon firm, where we were representatives of NBC and the *New York Times*, etc. I told them the information and asked them if we could find out where this bizarre story was coming from. In April 1984, remember now, we're talking about three years ago, I was told by one of our investigators that he had discovered that President Reagan, in April of 1984, had signed a classified National Security Decision directive setting up and going forward with a national readiness exercise, a domestic war games scenario, pursuant to which there would be a hypothetical need to undertake direct military intervention into Central America. Therefore, the question arose as to what was going to be done about all of the criminal undocumented Central American aliens who were here in our country. Because, you see, if such a military operation were necessary, these people would become very much like the Japanese after Pearl Harbor (even though we had sort of a reverse Pearl Harbor here), and therefore these people would become potential threats to the security of the United States. There was going to be a

major national mobilization exercise under the supervision of the Federal Emergency Management Agency, the FEMA, not many people even know what that was. What it was, was a newly formed organization that brought together under one government umbrella the disaster relief teams, hurricane relief, flood relief, other people, all under one umbrella. President Reagan and his Special Counsel Edwin Meese had brought with them to be the new head of the Federal Emergency Management Agency a man by the name of Louis Giuffrida. Louis Giuffrida, we discovered, had been the former commandante of the California Organized Crime Training Institute in San Luis Obispo in California, specializing in civil disorder control. He also had been made the Commanding General of the California State National Guard when Edwin Meese had been brought in by then Governor Reagan to be the Special Attorney General in California, in charge of potential civil disorder. This group had participated, we discovered, in a very interesting exercise in California, one that had been set up to undertake a potential war games scenario in California, if the then governor of the state, Ronald Reagan, had been compelled to declare a state of statewide marshal law in California, the hypothetical there being that the Black Nationalist movement might join together with the anti-Vietnam war movement and challenge established authority in California. This secret war games scenario in California had been known as Project Cable Splicer.

What we saw happening here is that the same team that had done the dress rehearsal in California had come to Washington. Now you had President Reagan and his Special Counsel, Edwin Meese, and the FEMA director, Louis Giuffrida, who still liked to be referred to as "the Comandante," going down with this major readiness exercise that was to be code-named Rex 84 and undertaken in conjunction with a potential military exercise in Central America to be code-named, interestingly enough, "Operation Night Train." That's what we discovered was going down, and that began to explain to us why they would begin to suspect that these people ought to be treated as potential terrorists. As we investigated this, we discovered that there was going to be a second part to this Rex 84 exercise, there was going to be Rex 84 Alpha and Rex 84 Bravo. Under Bravo, which was the direct exercise, there was going to be a distribution of military equipment from the Defense Department down to the state National Guard units, all of whom would be deputized under the civilian government agency of the Federal Emergency Management Agency. This is so they would no longer be considered military. That is so they could get around the Posse Comitatus act, which is a federal statute which prohibits the use of military forces to enforce domestic law in our country. There is a very bad historical precedent of allowing military police to have authority to arrest and prosecute citizens in a country, so therefore the Posse Comitatus Act. Did this stop the administration? No. They decided they would just deputize them under the Federal Emergency Management Agency, and the military equipment—small arms, shoulder-fired

weapons, explosives — would be passed down in the readiness exercise from the Defense Department to these National Guard units, which would be called state area commands, down to an interesting group of people called state defense forces. The problem was that there were no state defense forces, and we learned that three states had passed laws at the request of the Attorney General Edwin Meese and FEMA at that time, to institute little groups like the old Civil Defense auxiliary police. These states were Texas, Louisiana and Alabama. The people, however, who had heard about this, were restricted to the people who went to survivalist weekend training camps and Solder of Fortune organizations. They were rushing in to sign up to be members of these state defense forces.

Then we learned an interesting thing: we contacted a fellow in Louisiana who had prepared a number of articles about this Project Cable Splicer who we thought might give us a little insight into what was coming down here. He told us that he had been in dialogue with a colonel in the Louisiana National Guard who had heard about this readiness exercise coming, that there was supposed to be a whole lot a military equipment that was going to be distributed down to the National Guard units to the state defense forces, but he was laughing, the source said, because a very interesting thing was going to be done: hypothetically \$25 million worth of military equipment would be distributed from the Defense Department under Rex 84 Bravo down to the National Guard units, down to the state defense forces, into the hands of these soldiers of fortune and survivalists. Then, when the weapons were out into their hands, they would be revalued from their original manufacture cost to the much higher value of their replacement value. At the end of the readiness exercise, \$25 million worth of military equipment would be gathered back up, leaving a significant amount of actual military equipment out in their hands, which was going to be smuggled to the contras in total violation of the Boland Amendment. We said, "How about that?" This is a kind of interesting thing to bump into when you're getting ready to defend Stacey Merkt and a Catholic nun down in the Harlingen district which was under siege by Nicaragua.

We went back down and did the Stacey Merkt trial. We established a defense down there, which was supported on appeal in the case; the charges against them were dismissed. We came back to Washington and began to find out what more was going on, whether anything more had developed in this terrible scenario we had discovered. We talked with a source who told us that in fact a very similar thing had been discovered in Alabama, that a group called the Civilian Military Assistance Group, organized by a man by the name of Tom Posey, had begun to organize and had their own State Defense Forces there. They had begun to organize, and they had begun to gather together military equipment. They were getting surplus equipment given to them by the 20th Special Forces Unit in Alabama. Being declared "surplus" were M60 machine guns, M60 machine gun ammunition, shoulder-fired weapons, etc. They in fact had seen ammunition

stacked up in the garage at Tom Posey's which was being brought down to Florida, loaded on to planes in Florida in Ft. Lauderdale Hollywood airport and flown down to Ilopango airbase down in El Salvador and from that point being flown down into Costa Rica, where it was landed at a big ranch owned by a rich American rancher by the name of John Hull [text missing?] which included, of course, as you recall, Eden Pastora. And more military equipment was being distributed by these groups privately down to the contras in Honduras. So what we had come across was a direct military supply route going on out of the United States, part of it in direct violation of the Boland Amendment coming out the Reagan White House, and others of these Civilian Military Assistance groups flying into the Ilopango air base, which was an air base jointly administered by the United States military along with the Salvadoran military. We thought it was quite unlikely that they could be flying in there without anybody noticing them. So we began to explore to try to figure out how we could get any standing to bring on a piece of federal litigation to stop this from happening. The most difficult part of these kinds of cases is, how do you prove that somehow you have any particular standing that distinguishes you from any other citizens to complain about something like that? How can you bring a case and say, "I'm being injured in some kind of way, please, Court, give me some kind of relief"?

While looking for that we learned that on Memorial Day, May 30, 1984, an extraordinary event occurred. Eden Pastora was getting extraordinary pressure from the FDN, the Honduran-controlled contras that were being run by Adolfo Calero, financed by the American CIA. They were trying to coerce Eden Pastora in Costa Rica to come under the control of the FDN run by the CIA. He was refusing to do that, he was going to run an indigenous group; he was not going to accept control by the FDN and Adolfo Calero. On May 1, 1984 he had an interesting visit by a man by the name of Dewey Claridge. Dewey Claridge was the director of Western Hemispheric operations for the CIA. He said, "Eden, my boy. You've got 30 days. 30 days. Count 'em off, Eden. Unless you submit to the control of the FDN you're going to be out of this permanently." Eden Pastora figured that with the 30 days coming on on Memorial Day he ought to do something about this. So he decided to call a press conference.

On May 30, 1984, Memorial Day, he held a press conference at his jungle headquarters just inside Nicaragua on the Nicaraguan side of the river, which is the border with Costa Rica. Journalists from around the world were brought in on boats and rafts and they came into the jungle headquarters. They began to set up their videotape equipment in this small wooden house, and with them came a man purporting to be a Danish journalist by the name of Per Anker Hansen, with his little baseball cap and T-shirt and a large aluminum camera case. As they came to the building and entered the building to prepare for the press conference, you can see on the videotapes (which I have right in my bag here) the people all coming into the building, they set up, and you see this man, Per Anker Hansen,

move to the front of the room with his large aluminum suitcase and set it down at the leg of the table where Eden Pastora is going to be holding the press conference. On the videotape you can see, as Eden Pastora comes into the room and all the journalists from around the room begin to surge forward to begin the press conference, Per Anchor Hansen begins to stalk from the room, moving down the side of the wall and down the edge to the door and out the door. Just as Eden Pastora begins the press conference, a young woman moves to the front of the room to bring him a cup of coffee and in doing so accidentally kicks over the aluminum suitcase. The camera case falls over on its side. She stands there and he begins the press conference. Several moments later, a thunderous explosion blows the place apart, blowing the ceiling off the place, blowing the floor out, blowing arms and legs off the international press corps. Eden Pastora, standing on the other side of Maria, who had delivered the coffee, is saved. Maria is slaughtered, along with five other people who were instantly killed. Three other people lay dying, legs blown off, eyes torn out, faces blown apart, and they begin to die.

The message goes out to the world that a terrorist bombing attack has been staged against the international press corps at Eden Pastora's press conference. One of the people felled by the bomb was a young American ABC television cameraman by the name of Tony Avirgan, a large hole blown in his side, shrapnel in the face, his hands burnt, shrapnel in the chest — one of the lucky ones that survived. The information goes out across the world. One of the people listening at home is the wife of Tony Avirgan with her two small children in San Jose, Costa Rica. She hears the message, she flees to the hospital awaiting word on the life of her husband as they begin to bring in the bodies, torn, dying, bleeding, waiting for her husband. He arrives with the last ambulance and is hanging on to life and survives. He is flown to the United States for major plastic surgery and emergency surgery.

Martha Honey, who is also a journalist writing for the London *Sunday Times*, who is a BBC radio correspondent and also a radio correspondent for the Canadian Broadcasting Corporation, flies to the United States with him and goes immediately to the Committee to Protect Journalists. She also goes to the American Newspaper Guild. She says, "This is an absolute outrage. The American journalism community and the international journalism community cannot stand for this to happen, we have to get to the bottom of this, we have to organize a group to investigate this." They begin to do, so with funding from those two journalist organizations. They begin to undertake their investigations, led by Martha Honey, while Tony Avirgan is recuperating in the hospital. She began the investigation in June of 1984. Her investigation proceeded apace. We continued to look for plaintiffs. An extraordinary thing happened at the very beginning of 1985 during her investigation. It's a lot of detail, but it's important for you to see how this happened.

On a Friday afternoon at the beginning of 1985 a young carpenter by the name of Carlos was sitting in a

bar in San Jose, Costa Rica, a couple blocks away from the United States embassy. Martha was carrying on her investigation; he's got nothing to do with the investigation. Into the bar walk three men. Two of them stand at the door discussing some matters with the third man; the two of them leave. They walk down the street towards the United States embassy. The third man who had been left there begins to look around in terror into the bar, looking for someone to talk to. He spots Carlos and races to his table and begins to tell him that his name is David and he is with the terrorist group that bombed the journalists at La Penca back on May 30 and that they're in the process now of planning to bomb the United States embassy and to assassinate the United States ambassador, Lewis Tambs, but that in fact they are contras of the FDN who had tried to suppress and assassinate Eden Pastora to eliminate him as a source of disunity in the contra movement. Now they were planning to blow up the United States embassy and kill the United States ambassador to create an international incident to attempt to justify the Reagan Administration retaliating against the Sandinista government, blaming it on the Sandinistas. He was fed up, he couldn't take it any more, that these people were part of a terrorist group that in fact were engaged in these types of activities based on a nearby ranch owned by a millionaire American rancher by the name of John Hull. They received air supplies of C4 explosives which were used to blow up the press conference in La Penca.

This man didn't know what to do, Carlos. Shortly thereafter the other two men came back and this man David, telling him how to get ahold of him, he needed to escape, he had a brother who was in the contras, he wanted him to help him escape, can't you hide me. Carlos said, "No, go away." The man left and Carlos, totally confused, goes home and talks with his mother and explains to her what had happened. She said, "You stay out of this. You have nothing to do with this." So he went home to his wife and child and said nothing more about it.

Until, a couple weeks later, they read of this incident where there is a terrorist group that goes into Nicaragua and attacks a town, killing numerous innocent citizens and children and blowing up water supplies in this town and came back into Costa Rica, and it's in the newspapers. Because it took place very shortly before there was supposed to be a crucial vote here in the United States on funding to the contras, the Monge government, that was in fact quite supportive of the contras in Costa Rica, decided that for cosmetic purposes he had to go out and undertake a sweep with the rural guard in the general area where they came across the border to see if they might almost catch someone. He in fact stumbled directly onto this group of people. In fact, the group of people fit to a T the description which David had given to Carlos — he told them there was a British mercenary, a French mercenary, a couple American mercenaries in it, a bunch of Cubanos from Miami and some Nicaraguans. This is the exact description that went down in the newspaper of these people.

Carlos saw this and he said, "My God, this man was telling the truth, this is the group that's still planning to blow up the United States embassy. I've got to do something." So he goes again and talk about it with his family; they decide that they're going to go and tell a North American family that they know. That's the way to do it: tell the North Americans and let *them* go to the embassy and share this information. So they did, they went and told a North American family, and it turns out that the daughter of that family, who was there, was a close personal friend of Martha Honey. So off she goes to Martha Honey and tells Martha Honey about this. Martha Honey and Tony Avirgan, who is now back home, end up getting to talk to Carlos, and they go to the United States embassy and report the potential threat of the bombing of the U.S. embassy. They come back and in a series of extraordinary interviews, supervised by Martha Honey and Tony Avirgan, these two young journalist undertake to have Carlos go and on a regular basis begin to interview David to attempt to help him, to find out what was going on. In tape-recorded sessions and other sessions where notes were taken they start to debrief him, and he starts to explain this extraordinary process going on, that at this ranch owned by John Hull there are weapons and explosives being flown in and landed on the landing strips by these people out of Florida. The planes unload the weapons and load the planes up on John Hull's ranch with cocaine from Colombia, from the Medellin cartel of Jorge Achoa and Pablo Escobar and Carlos Lederer, that clean-living young man who's been recently arrested down in Florida who's threatened to kill one federal judge a week until he's released, and they're also partners of Carlos Quintero Cruz, the man who is charged with torturing to death the DEA officer in Mexico. This is this nice crowd that was bringing the cocaine onto John Hull's ranch, which was then being loaded into the airplanes out of which the weapons had been taken and was being flown back up into the United States. The cocaine is being sold here in the United States, eventually to our high school students and kids around our country, and part of the profits are being used to purchase more explosives and more weapons which are then flown back down into John Hull's ranch and to the rest of the contras in Honduras. Nice program.

David explains all of this to Carlos, Carlos debriefs and explains this to Martha and Tony. They begin to compile the evidence, investigate the evidence and go to some of the investigative officials that they had some confidence in in Costa Rica and begin to share this information with them. Until one afternoon when David and Carlos are just finishing meeting in a park on a park bench and begin to leave when four gunmen come up and point guns at them and drag them into a truck, put bags over their heads, put them on the floor of the truck and drive them around and bring them hours and hours away up into northern Costa Rica, lock them in a shed, tell each other that, "We've got to go get John and figure out what to do with these guys." While they're being held in the shed, only one guy is left guarding them. David turns to Carlos and says, "Carlos, they're going to kill us, we've got to get out of

here." David turns around and throws himself on this guard and they kick this guard and stomp up and down on him, pick up a chair and break the window out and jump out of this shed and flee off into the woods, with a hail of gunfire following them. Sounds like a bad movie. It's worse reality. These men wandered in the jungle for two days before they came out on the other end and called Martha and Tony and Carlos escaped and got back to them. David fled to another area and said he would contact Carlos later. Martha, Tony and Carlos went to the police in Costa Rica and went on a large search searching for the place where they'd been held and found the exact place on John Hull's ranch, at which point they put an inside informant inside John Hull's ranch from the Costa Rican police and learned the following week that David had been recaptured, brought to the ranch, tortured to death and buried on John Hull's ranch.

As a result of this, Martha and Tony — you'd have to know Martha to appreciate this — decided that she was going to hold a press conference. They began to make plans. But the following week someone came and kidnapped Carlos, brought him again to a place and had him hand write a statement — to show you the level of sophistication of these people — saying that he didn't know anything about John Hull, [laughter] and anything that is alleged by Martha Honey and Tony Avirgan to have been said to him by a guy by the name of David about John Hull wasn't true. He was told that they were going to have their own press conference in a week and he'd better stay around or else they'd kill him, to come to this press conference. Needless to say, it took him maybe two, three minutes to get back to Martha and Tony and they took him out of the country.

Martha and Tony held their own press conference and issued a report setting forth the information that they had. John Hull sued them for libel. Martha Honey and Tony Avirgan called the Christic Institute in Washington D.C. and asked that we come into Costa Rica and defend them against the criminal charges, yes, criminal charges, of libel for which under Costa Rican law they are presumed guilty. They have to prove themselves to be innocent. We went down, and working with lawyers in Costa Rica put on the defense and in fact established the truth of the charges. We defeated John Hull and had all of the charges dismissed against Martha and Tony. John Hull, on the way out of the courtroom, was heard to grumble, "This isn't over yet." Little did he know how right he was, [laughter and applause] because we had resolved that we, the Christic Institute, if Martha and Tony wanted to, would bring on a federal lawsuit here in the United States originally charging these people with criminal assault and battery and threatening to kill them, because after this Martha and Tony began to receive all kinds of death threats, on the telephone, slipped under their door with their children in the house with them. We decided we were going to bring on this action.

As we began to research this, we discovered that when you have a group of people who are carrying out assassinations and engaging in arson by blowing

places up and funding the operation with income from illegal narcotics trafficking and moving the money through American banks to launder the money from cocaine trafficking to buy military equipment in the United States, that these people are defined as "racketeers" in our country and we have a federal criminal statute called the RICO statute, the Racketeer Influence Corrupt Organizations Act. If you are injured by an overt act of such a criminal enterprise, you have the right to sue those people and charge them with being racketeers. Very interestingly, we discovered that not only do you have the right to sue the people who committed the direct act that injured you, you also have the right to sue the people who supplied them with the equipment. Too bad, we said, that we have to do all this extra work. So what we did is began to not only put together the lawsuit under the Racketeering Act to charge John Hull and the other people who were involved in the direct killing—Filipe Vidal, Rene Corbo and a number of others—we also then went looking for the people upstairs who were in charge of the supplying.

Of course at that point we began to uncover some rather extraordinary information. We received contact from an extraordinarily interesting source, a former intelligence officer and criminal investigator for the United States government, who began to say to us, "Don't you realize what you've got here? Don't you realize who the people are that are behind this supply network? Let me share the information with you and then you go out and find out who these people are." He began to give us the names. He said, "The people you are looking for are a man by the name of Theodore Shakley, another man by the name of Tom Clines, another man by the name of Richard Secord, another man by the name of Albert Hakim, another man by the name of Rafael "Chi Chi" Quintero. You're also looking for people by the name of Ronald Joseph Martin, Sr., the owner of the Tamiami gun shop in Miami. There's a series of people you need to find out about."

When we began to investigate these people we began to learn what turns out to be the most important aspect of this entire case: not simply that these are the secret team of people who were supplying the weapons and explosives and articles of death for the contras, but that indeed this same group of people had been engaged in this operation together for 25 years, that these in fact were the same individuals who had put together the contra war against Cuba back in 1959 and 1960-61. What I want to do in closing is share with you the information which we were then compelled by an additional ruling in one of the courts on Rico down in the 11th Circuit. They said, "Oh, this isn't going to be as easy as you thought, because not only do you have to prove that you were injured by an overt act of these people and that this overt act was undertaken by a more general criminal enterprise that was supplying them, but you also have to prove, in order to get in under the Racketeering Statute, a previous historical pattern of racketeering by the same people." We said, "Oh, more work." Which we then began to do. Here is what we discovered.

This operation goes back to 1959, when in January Batista, the dictator of Cuba, was driven from power by Fidel Castro and the revolutionary movement in Cuba. This Batista group in Cuba had been business partners in Havana with the mob. It owned a group called Resorts International, the gambling casinos and the hotels, prostitution and the narcotics trafficking for Meyer Lansky. The lieutenant for Meyer Lansky in Havana had been Santo Trafficante, who had been business partners with Batista the dictator. So that when Batista was driven from power by Castro in January of 1959 they also drove from power this criminal element. They came up into Florida and inside the United States government at that time, indeed inside the National Security Council.

There was a group formed called the 5414 Committee, chaired by the Vice-President of the United States, that took on the task of recruiting these right-wing supporters of Batista and these criminal elements that were partners with him into a contra force to mobilize and prosecute a contra war, a low-intensity warfare operation, against the people of Cuba. The Vice-President of the United States at that time, as you will recall, was Richard M. Nixon. Richard M. Nixon organized this, along with Allen Dulles, the Director of the Central Intelligence Agency, and this operation was code-named Operation 40. It was the original contra war operation that was run against the people of Cuba. They would go in on swift boats and burn sugar fields, blow up transportation and storage facilities, indeed they would poison the exports of the Cuban people to try to destroy their economic infrastructure. But that wasn't enough, as it turned out, and Santo Trafficante, as you recall, quickly learned about this operation because half of his people were in it, and being the red-blooded patriot that he was offered his assistance. He reached out to the administration through an interesting person, he reached out to contact a man by the name of Robert Mayhew. Robert Mayhew was the Chief of Staff of the Howard Hughes empire in Las Vegas, the empire that had given a \$200,000 unsecured loan to Donald Nixon, the brother of Richard Nixon. Because of this special relationship, Robert Mayhew was reachable to get to the Vice President. Who did Santo Trafficante send? He sent a man by the name of Johnny Roselli, a man by the name of Sam Giancana, the Don of the Mafia in Chicago. They held a meeting, Vice President Nixon's man, Robert Mayhew, and Santo Trafficante's men, Roselli and Giancana, at the Fontainebleau Hotel in January of 1960. There they discussed how Santo Trafficante could be of assistance to the Vice President and the National Security Council. What they resolved was that they were going to organize a secret assassination team made up of ten men who had the responsibility for assassinating Fidel Castro, Raul Castro, Che Guevara and five other men in the leadership of the Cuban government. Let's take a look at who these people were that were recruited for this very interesting team.

One of the men was a man by the name of Felix Rodriguez; you know him as Max Gomez. He is the man named by Eugene Hasenfus as the commander of

the Ilopango airlift over into Nicaragua to supply the contras. There was another man on that 1960 team organized to assassinate foreign leaders, a man by the name of Luis Pasado Carriles. You know him as Ramon Medina, named by Eugene Hasenfus as the #2 man who supervised the Ilopango airlifts to the contras. There were three other men on that interesting team: a man by the name of Diaz, a man by the name of Ramon Medina, and a man by the name of Frank Sturges. They may be a bit more familiar because these 1960's guys turned out in 1971 to be caught in the Watergate Hotel wiretapping the telephones of Larry O'Brien, who was at that time the Chairman of the Democratic National Committee but who had previously been the #2 man in the Howard Hughes empire under Bob Mayhew. Another interesting person on this team of ten was a man by the name of Rafael "Chi Chi" Quintero. He is the man who helped supervise the construction of the dirt airstrip in Costa Rica, which was being used to land supplies to the contra, also the man who, when they tried to ransom out William Buckley, the Beirut station chief for the CIA, from Iran at the base of the negotiations for the Tow missiles, delivered the \$2 million.

Why do these people keep showing up? Who else was on that team? A man by the name of Ricardo Chavez. Two brothers by the name of Raul and Rafael Villaverde. Who was one of their supervisors? A man by the name of E. Howard Hunt. Isn't this an interesting team that we're running into here? This group, known as the "S-force" or the "shooter team" or the "triangular firebase team," was secretly recruited out of Operation 40 and trained at a secret base at Oaxaca, Mexico. They used to transfer them through Fort Wachuka in Arizona down into Oaxaca, where they were trained in triangular fire team assassination techniques and others. This operation was underway in 1960.

Richard Nixon, the Vice President of the United States at that time, who coordinated the program, had a very funny thing happen to him on the way to the White House in 1960. He didn't make it. The Kennedy's were elected—I guess you could say that honestly, the brothers Kennedy became President of the United States in November and came into power in January of 1961. They were briefed in detail about Operation 40 and the covert contra war that was being waged against Cuba. What they weren't notified about was the secret assassinations team. Bobby Kennedy, being the can-do guy that he was, decided, "Why settle for this low-intensity warfare stuff? Why don't we mobilize this whole operation into a major invasion of Cuba? Let's not mess around." So by April 1961 they undertook the major catastrophe of the Bay of Pigs invasion. Bobby Kennedy again, not being one easily put down, springs back after the disaster of the Bay of Pigs, and by June of 1961 decides, "Well, maybe Operation 40 was a better idea." They go back to Operation 40 and set up a duplicate program, now renamed Operation Mongoose, and bring in a young 34-year-old CIA officer to become the commander, the base commander, for the Miami station of the CIA. His name is Theodore Shakley. His chief of training was a man by

the name of Tom Clines. They come in and under Ed Lansdale they run Operation Mongoose against Cuba from 1961 to 1965 until in 1965 a funny thing happens. They're caught smuggling narcotics. They had taken advantage of the free flow in and out with no customs checking to move the swift boats and explosives, guns, etc. they needed to attack Cuba and began smuggling narcotics. The operation was shut down. What do they do with these people? Theodore Shakley is transferred to Laos in Southeast Asia where he becomes the Deputy Chief of Station under Gordon Jorgenson. He brings with him Tom Clines. What do they do?

They decide that they have to take advantage of the indigenous situation and they discover that what's going on there is a major three-sided war for control of the opium trade in Laos. They also discover that there's a major tribe, the Hmong, sometimes referred to as the Meo tribesmen, who would make great unconventional warfare assets. Coincidentally, one of the princes of the Hmong, a man by the name of Vang Pao, is also one of the major competitors for the control of the opium trade. So they decide that what they'll do is undertake a very constructive suppression of the opium traffic engaged in by the two competitors of Vang Pao. They will also supply air support for Vang Pao to move his men around in this war and also moving his opium products around for him but dropping explosives on his competitors. Who do they decide to bring in to run this interesting operation? A man by the name of Richard Secord comes in to run the operation. They also bring in some interesting guys: Rafael "Chi Chi" Quintero, Luis Pasado Carriles and Ricardo Chavez and Felix Rodriguez. Let us reflect on what their specialty is, because by the end of 1965 and the beginning of 1966 both of the major competitors of Vang Pao for the heroin trade had been assassinated.

Vang Pao was the undisputed monopoly controller of the opium trade in Laos. He was a very grateful man, and he decided to apply portions of the profit from this now monopoly control of the opium to help train the Hmong tribesmen to become specialists in unconventional warfare. Just what the doctor ordered. Specifically, just what the CIA ordered under Theodore Shakley and Tom Clines. These people began to become trained in a very special field. They became secret assassins, to crawl into the homes of suspected sympathizers of the Pathet Lao in the middle of the night and cut their throats in bed with their wives and children, to be found in the morning. This operation began to run in 1966 and it became necessary to coordinate it through a general program, so they set up a major operation called Max Bisan, a special operations group in Vientiane, Laos. They brought in a military commander for the operation, a man by the name of John K. Singlaub. Deputy Airwing Commander for the operation was Richard Secord. One of the men who ran the special forces contingent in the military operation was a man by the name of Dewey Owen, the older brother of Rob Owen, who later became the major private liaison to the contras for Oliver North. This group functioned in Southeast Asia from 1966-68, when Theodore Shakley became Chief of Station. When he became Chief of Station, guess who came to dinner?

Santo Trafficante from Florida took an interesting trip to Southeast Asia in 1968 and met in Saigon with Vang Pao. Santo Trafficante became the #1 importer of China white heroin to America, Vang Pao's heroin.

The money began to flow and the heroin began to flow into America. The money began to flow into the secret black operations of the CIA under the supervision of Theodore Shakley in Southeast Asia until he was transferred in 1969 to Vietnam, when the Phoenix program was established, which assassinated over 60,000 non-combatant civilians inside Vietnam. Theodore Shakley, in 1971, was transferred to become the Director of Western Hemispheric Operations for the agency. Between 1971 and 1973 he supervised Track Two against Chile and Salvador Allende, supervised the people with Tom Clines and "Chi Chi" Quintero in kidnapping the Chief of Staff, General Schneider, of the government, and later in the killing and overthrow of the government.

This is a very interesting crowd of people we see here. This is Theodore Shakley and Tom Clines and Rafael "Chi Chi" Quintero and their people. They're moving through the world wreaking havoc for U.S. policy, assisting in the opium trafficking, getting the money from the opium trafficking for these black operations. Then they supervised the closing down of the war in Vietnam from 1973-75. The Vang Pao money, used in part to fund the Phoenix program, now is embezzled by these men and moved into a secret account in Australia to the Nugen-Hand Bank for future use. What was that future use after the war in Vietnam closed down? Iran.

After being such a great success in Southeast Asia, this group decided to try its hand at Iran. If I were the Shah of Iran I wouldn't have slept too well knowing that these were our protectors, because in fact he had two more years before he too would fall. But they ran a secret operation under Theodore Shakley and Tom Clines to hunt down the enemies of the Shah and to assassinate them in this secret program. Who was it that ran the program? Theodore Shakley, who for his good deeds had been elevated now to be the Assistant Deputy Director for the CIA in charge of all covert operations. Who is his boss as the Director of the CIA in 1976? Whose director of covert operations was Theodore Shakley? George Bush was the Director of the CIA in 1976. What was their theater of operations? Iran. What was the task of Theodore Shakley and Tom Clines? Assassination. Where did the money come from? Heroin funds from the Nugen-Hand Bank of Vang Pao. Isn't this a nice tradition for our foreign policy to follow? Why do you think the Iranians were so upset at the American foreign policy there in addition to their support of the Shah? What happened to these people?

In November 1976, Jimmy Carter is elected, remember where we started? He appoints as Director of the CIA Stansfield Turner. These people were considered by Theodore Shakley and Tom Clines to be pinkos, total commie simps, bleeding hearts, ethicists of some sort. So they solved that problem by merely not telling them about the program. Because when the money was

cancelled for the program in Iran, when they refused to acknowledge to Congress what it was being used for, a mysterious source of funding appeared from the Nugen-Hand Bank to continue the funding of this operation. Who ran the operation for Theodore Shakley and Tom Clines in Iran? Ed Wilson, the man later caught selling C4 to Qaddafi in Libya. This is an extraordinary set of facts that you're hearing and maybe learning for the first time tonight, but the fact of the matter is that when the President of the United States, Jimmy Carter, and the Director of the CIA, Stansfield Turner, declined to give support for this program, indeed began to push out of the CIA members of the operational directorate who had been engaged in covert operations of this kind, these people simply went private.

What happened is, it was discovered that Theodore Shakley and Tom Clines and Richard Secord had become business partners with Ed Wilson. When Ed Wilson was discovered to be selling explosives and weapons to Qaddafi in Libya and an indictment was sought by Larry Barcella, the United States Attorney, against him, a decision was made not to allow Theodore Shakley and Tom Clines, his business partners, to be indicted. Instead, they would be asked to resign from the CIA. Who was it that made that interesting decision that these men should avoid criminal indictment and simply be asked to leave the CIA? He was the Deputy Director of the CIA at the time, a man by the name of Frank Carlucci, the man that President Reagan has brought in as his new National Security Advisor to help clean up this whole mess. [laughter]

Clines and Shakley were forced out of the CIA and set up a company by the name of the Egyptian American Transport and Service Company to ship the weapons under the Camp David accords to Egypt, for which they got millions and millions of dollars. Eric von Marbad steered the contract to them, who was also a business partner in EATSCO while he was still in the government. What else did these people do, now that they were private entrepreneurs? Remember where we started? Remember how the Harkin Amendment, the policy of our government, had cut off the flow of military supplies to Anastasio Somoza in 1977? Well, here comes the secret team to supply the military equipment to Somoza, who was no longer legally suppliable by the United States. These people didn't care what the policy of our government was. They not only didn't care what the policy of the American people was, they didn't care about the Congress, about the White House, about the CIA Director. They simply decided that they would go ahead with this ultra-right-wing policy and supply the weapons. So therefore they brokered the weapons through Israel down to Somoza. This operation continued until Somoza fell in July of 1979. According to the accusations in the complaint and the affidavits filed, this supply of military equipment continued from the secret team to the contras.

After Somoza had fled and once the contras began to be set up, to mount a major war against the government of the Sandinistas, it was the secret team that

supplied the weapons. These are the people behind the contra movement. But they're not just anybody. They're not just entrepreneurs; they're not even just "contra-preneurs." These people are the secret team. They are the Midnight Soldiers of the National Security State that has begun to be rolled into place here in America. They're the people who don't respond to the demands of the American people, of the American Congress, they're the people who upon occasion do not respond to the President or the Director of the CIA. These are the people who have become immersed in their mission, they have become dedicated to the proposition that they have resolved how to deal with the communist menace. They have the funding, they know where the narcotics flow and the money are, they know how to handle these people. It's extremely important that we learn who these people are, that we know what the nature of the problem is with which we are really confronted here. Because when these people continue the flow of weapons to the Somozista generals now in their incarnation as contras and continue that flow, these are the people that were in operation when Ronald Reagan came to power in January of 1981. In January of 1981 we have to remember who it was that started to decide that now the White House will take over the funding and supply of the contras.

The person who called meetings was Ed Meese, the Special Counsel of the White House. To the meetings came George Bush, the Vice President of the United States, Ronald Reagan, the President of the United States, the Director of the CIA, Bill Casey, and Richard Allen, the National Security Advisor. There was a conscious decision to be made to take over from the secret team the funding and supply and training of these contras. Therefore, when the United States Congress passed the Boland Amendment in March of 1984 and it became effective in October 1984, the people who had been running the program for the White House, the people in the CIA and the White House staff, Ed Meese, merely devised a mechanism for turning it back over to the secret team in October. Have them come back on line to supply and train the contras. These are the people who were doing the secret deeds for the White House.

But it wasn't the White House that went out and invented these people. These people existed before this administration. These people are the bureaucracy of the National Security State that exists now in our country and therefore they do the darkest of secret deeds when called upon. Since they were funding the contras in direct, total contradiction to the United States Congress, when it became time to decide to sell these weapons secretly to Iran, probably an even more sensitive issue, who would the White House go to? The secret team once again, to have them bring the Bible, the cake and the missiles.

Let me point out one more serious factor here. What we have come to understand is that what was going on the Middle East and Iran was very important for you to understand in closing: That when Ed Wilson was working under Theodore Shakley and Tom Clines he was working for them to carry out these assassina-

tion programs in Iran even after they were forced out of the CIA and in their private capacity running the Egyptian-American Transport and Service Company. What his job was was to find the people suspected of being terrorists in Iran who constituted a direct threat to the Shah and to the leadership of the Savak, the secret police. They came to conclude, Ed Wilson and Shakley and Clines, that these people were being trained over in Libya at five secret bases being run by Qadaffi and the PLO. They wanted to know who the people were that were being trained there to be sent into Iran. So Ed Wilson decided that he would find out. He would offer to Qadaffi time-delay fuses for booby-trap bombs for assassinations hoping that he would then learn who the people were who were being trained at these bases to come into Iran. With the offering of the time-delay fuses, which he got from a CIA officer, it didn't work. So he stepped up a notch and said, "How about the C4 to go with them?" He delivered the C4. Still didn't get the identities of the people to come to Iran. So he said, "How about the secret team? How about Rafael "Chi Chi" Quintero? How about the "shooter team" to help train your people to do assassinations and to carry out some for you?" That did it; that led them to the information to find out the flight numbers on which the teams were going to be sent out of Libya into Iran.

Now what in the world do you think they wanted to do to these people? They were going to assassinate these people. What they came to discover was that being trained at the Libyan bases were not just people to come into Iran but people also to be trained to go into Nicaragua to fight against the regime of Anastasio Somoza, people to go into El Salvador to fight against the military government there, to go into the Philippines to fight against the Marcos government there. This was an extraordinary boon to come across because they had a means for discovering the nationality, the passports under which they'd be flying and the flight numbers on which they would depart from Libya. This information was passed from the PLO, who trained them, to Ed Wilson, who passed it to Rafael "Chi Chi" Quintero. Rafael "Chi Chi" Quintero was at the time hiding in Mexico at the security division of PEMEX, the Mexican national oil company, along with Ricardo Chavez. The company was run by a man by the name of Jorge Diez Serrano, the former business partner of George Bush in the Zapata Oil Company. They were tasked to pass the information to clients and Shakley to make a determination as to whether or not these terrorist teams should also be interdicted and assassinated. But according to two very solid sources, before that decision could be made, one more person above Shakley and Clines, who were private citizens at that time, one more person had to decide whether that team should be interdicted.

That man's name, according to the sources, was William Buckley. The man, you will recall now, who was kidnapped in Beirut in March of 1984. You will recall that there were other hostages being held in Beirut in 1984; the administration didn't seem to be terribly distressed about them. Their families would come to the White House wringing their hands asking

for help and they were given nothing. But when William Buckley was kidnapped in Beirut, a very different reaction began inside the secret team, inside the soldiers of the National Security State. They were desperate to get this man out of their custody. And when Ghorbanifar first reached out to begin to negotiate for the return of William Buckley, guess who he went to see? Theodore Shakley. He didn't come to Ollie North, President Reagan, Vice-President Bush—he went to Theodore Shakley. Why do you think that was? What is it that caused the people who were holding Buckley to know that the man to go to was Shakley? What was it that Buckley was talking about? Because very reliable sources indicate that while Buckley was kidnapped in Beirut he was taken on a freighter and a plane and brought to the Teheran, that William Buckley was tortured in Teheran by the Iranians with whom we were negotiating, these moderates that our highly credible President has told us about. The fact is he was tortured on videotape, and what he revealed led them to believe that they could demand outrageous things of our military and our government. What was it that he knew that was worth all that? More importantly, why is it that our administration gave forty tractor-trailor loads of Tow missiles to Iran months after they knew that Buckley had already been tortured to death? They surely weren't giving those Tow missiles just to get his body back.

And when it comes to be known and the tapes are played of the negotiations that Ghorbanifar engaged in with the Iranians, the Israelis and the Americans, what you are going to notice is that a little tiny sentence in the Tower report talking about a 400-page confession by Buckley seemed to be one of the issues in the negotiations. What you're going to learn is that in fact the Tow missiles were delivered not for hostages, not even for Buckley as a hostage, but for hush money, to keep the Iranians silent about the activities of the secret team, about the heroin and narcotics smuggling and the assassinations that were being run as the backbone of our anti-terrorist program in the world. The United States has not been driven to its knees, it has not been humiliated, we have been blackmailed. We have been blackmailed to keep then secrets of the secret team, to pay and pay and pay for the sins of the secret team, to keep silent from the world the activities of the Midnight Soldiers of the National Security State that is rising in our country. The time has come for the American people to put a stop to this, These people have now been identified and named as the racketeering enterprise that they are, and they are going to be brought to the bar of justice. The Special Prosecutors have been informed, the Select Committees have been informed, and they're going to do everything that they can *not* to reveal this information to you. They're going to try to convince you that the problem we have, as the Tower Commission reported, is the problem of an "inadequate managerial style of the President." [laughter] They're going to try to convince you that it's a problem of personnel at the National Security Council who are not under control. They're going to try to convince you ultimately that the problem we're faced with is a small cancerous nodule on the nose of the

President. [laughter] Whereas, in fact, we suffer from a cancer deep in the chest of the American body politic. [applause] and these people will tell you that we can't talk about this, it's like cancer. Let's pretend we don't have it. Let's hope we don't have it. Let's wish that it will go away. And they'll tell you that in their opinion it has to be kept secret because the American body politic is not strong enough to survive the operation.

Are we going to believe these people *this* time? Are these the people who have displayed the kind of confidence in the strength of the American body politic to rely upon the democratic institutions of our country to effectuate our public policy and foreign policy? NO. These are the people who have moved into the shadows, who have killed in the night, who have maimed and slaughtered and moved heroin and cocaine throughout the world to finance their black operations because they didn't trust us, because they don't have any confidence in the American institutions. They're the people who are going to tell us that the American body politic isn't strong enough to survive this operation. So let's ignore it some more. Like we ignored it when it surfaced in Watergate with those people in that hotel. When in fact it surfaced in that March discussion between John Dean and Richard Nixon when Richard Nixon said, "John, I want you to go to the CIA and tell them that they're to go to the FBI and tell the FBI to get out of this investigation." John Dean said, "Mr. President, what am I going to tell them?" He said, "John, you tell the CIA to tell the FBI that if they don't get out of this investigation, if they pursue this investigation, all the Mexican stuff is going to come up." When people read that in the transcript, when people at the Watergate hearing heard that, they said, "What the hell is that? What is 'all the Mexican stuff'?" We looked at the transcripts of the Watergate hearings to see what Mr. Haldeman said. When they asked Mr. Haldeman, "What did that exchange mean?" and he said, "Oh, they were talking about the assassination of President John F. Kennedy." What the hell does that mean? You can't tell, no one can tell what that means, because they don't know what the Mexican stuff is, they don't know what the "shooter team" was all about, they don't know what they did. So they want to keep them still, the Midnight Soldiers.

Our job is to throw the light upon them. Our job at the Christic Institute and your job here in Boulder, Colorado and back in the homes from which you come is to shed the light on the secret team, to not allow the special prosecutor to return indictments charging these people with fraud. Charging them with *fraud*? Saying that the hours that they spent on government time working to support the contras was a private project and therefore they were defrauding the government of their salary during those hours? Can you believe that? That's what they're planning to return as indictments against these people. We can't allow that to happen. We've got to shed the light on this, we've got to have the strength to go after the cancer, we've got to understand that here in the 200th anniversary year of our Constitution we are in jeopardy, that the price for our liberty is the eternal vigilance that we have been

warned to maintain. Because in this 200th anniversary year we are also in the 40th anniversary year of the National Security Act of 1947 that set up these undemocratic institutions in our government: the National Security Council, the CIA, because they didn't trust the democratic processes to be strong enough to combat the threats of Soviet imperialism and communist subversion. The fact of the matter is that we are strong enough to resist those with the forces of democracy, with the forces of our country, our ethical values in the Judeo-Christian ethic and our democratic values we can stand off any other foreign power in the world. We do not need the Midnight Soldiers, we do not need the National Security State. What we have to do is just say "No." [laughter, applause]

For information about obtaining transcripts and cassettes of this and other programs, please write to:

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